

MONTANA LEGISLATIVE HISTORY

Chapter 161 19 75

Bill H _____ S 94 Original bill & history ____C

H. Committee on Taxation

Hearing Date(s) Mar 01 ☒ C

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Date Out _____ C

S. Committee on Taxation

Hearing Date(s) Feb 06 ☒ C

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Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

1 *Senate* BILL NO. *94*
2 INTRODUCED BY *Turney* (By Request - Department of Revenue
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 84-1504, R.C.M. 1947, TO PROVIDE FOR AN AUTOMATIC EXTENSION
6 OF ONE (1) TO SIX (6) MONTHS FOR THE FILING OF A CORPORATION
7 LICENSE TAX RETURN."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 Section 1. Section 84-1504, R.C.M. 1947, is amended to
11 read as follows:
12 "84-1504. Computation of license tax--return of net
13 income to be filed--definitions. (1) The license fee shall
14 be computed on the basis of the corporation's total net
15 income for the taxable period. The corporation's taxable
16 period shall be its taxable year for federal income tax
17 purposes. In the event a corporation changes its taxable
18 year, it shall promptly notify the state department of
19 revenue.
20 (2) Every corporation, subject to the license fee
21 imposed under this chapter, shall for each taxable period
22 render a true and accurate return of its net income for the
23 taxable period in the manner and form to be prescribed by
24 the state department of revenue, and containing such facts,
25 data and information as are appropriate and in the opinion

1 of the state department of revenue necessary to determine
2 the correctness of the net income returned and to carry out
3 the provisions of this act. The return shall be signed by
4 one (1) of the following: the president, the vice-president,
5 the treasurer, the assistant treasurer, or chief accounting
6 officer. If the corporation is reporting on a calendar year
7 basis the return shall be filed with the department of
8 revenue on or before the fifteenth day of May following the
9 close of the calendar year, and if reporting on a fiscal
10 year basis the return shall be filed with the department on
11 or before the fifteenth day of the fifth month following the
12 close of its fiscal year. Upon application a corporation
13 shall be allowed an automatic extension of time for filing
14 its return ~~to the fifteenth day of the third month of one~~
15 (1) to six (6) months following the date prescribed for
16 filing of its tax return. The application is to be made on
17 such forms as the department of revenue shall prescribe. The
18 department of revenue may grant an additional extension of
19 time for the filing of a return whenever in its judgment
20 good cause exists. The terms "engaged in business" and
21 "doing business" both mean actively engaging in any
22 transaction for the purpose of financial or pecuniary gain
23 or profit. The term gross income means all income recognized
24 in determining the corporation's gross income for federal
25 income tax purposes; but shall include interest exempt from

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1 federal income tax. No corporation is exempt from the
2 corporation license tax unless specifically provided for
3 under section 84-1501. Any corporation not subject to or
4 liable for federal income tax but not exempt from the
5 corporation license tax under section 84-1501 shall compute
6 gross income for corporation license tax purposes in the
7 same manner as a corporation that is subject to or liable
8 for federal income tax according to the provisions for
9 determining gross income in the federal internal revenue
10 code in effect for the taxable year. The term "net income"
11 means the gross income of the corporation less the
12 deductions set forth in section 84-1502.

13 (3) In cases wherein receivers, trustees in bankruptcy,
14 or assignees are operating the property or business of a
15 corporation subject to the license fee imposed by this act,
16 such receiver, trustee, or assignee shall make the return in
17 the same manner and form as such corporation is hereinbefore
18 required to make return, and any license fee due on the
19 basis of such returns made by the receiver, trustee, or
20 assignee, shall be assessed and collected in the same manner
21 as if assessed directly against the corporation of whose
22 business or property they have custody and control, and
23 shall be paid by such receiver, trustee, or assignee out of
24 the property of the company in his hands, prior to the
25 claims of creditors or stockholders."

Jerry Foster

Senate Taxation February 6, 1925

CONSIDERATION OF SENATE BILL 93: Sen. Turnage discussed this bill and mentioned the need for an amendment to the bill. He said subsection (4) should be deleted from the bill. He also introduced Mr. Groff who said several cases had arisen and this legislation would help in proper disposition of the cases.

Mr. Smith also spoke and said he is neither for nor against the bill, but questioned the necessity of the new sections in the bill. Sen. Turnage responded saying Section 3 would eliminate some unnecessary steps for the courts.

Chairman Watt asked for other proponents or opponents and opened the meeting for questions.

CONSIDERATION OF SENATE BILL 94: Sen. Turnage introduced this bill as well, which authorizes the Department of Revenue to grant an extension of time in which to file corporation license tax returns. Mr. Foster also spoke and said the Dept. has found the larger corporations have to have at least 6 months in which to file their returns which involves filling out additional forms. This would eliminate a lot of time and and extra forms and since the corporations are granted extensions on request, this legislation would save time and expense for the Department.

Chairman Watt asked for other proponents or opponents of the bill and questions by the committee.

CONSIDERATION OF SENATE BILL 96: Sen. Mathers introduced Mr. Wayrynen who explained the difficulties encountered in Custer County this past summer when the County Tax Appeals Board did not have sufficient time to consider the many cases it had before it. 90 of the cases had been filed on the last day of the deadline which gave the Board little time to investigate

Feb. 6, 1975

Mr. Groff said the Department was also in support of the bill and following his statement, Chairman Watt asked for other proponents or opponents of the bill and permitted questions by committee members.

DISPOSITION:

Sen. Mathers Moved SB96 DO PASS. Motion carried unanimously, Sen. Manning absent, not voting.

Sen. Turnage Moved SB94 DO PASS. Motion carried unanimously, Sen. Manning absent, not voting.

Sen. Turnage Moved Adoption of Amendments to SB93. Motion carried, see attached copy.

Sen. Turnage Moved SB93 DO PASS AS AMENDED. Motion carried unanimously, Sen. Manning absent, not voting.

Chairman Watt then had the committee refer to SB230, previously heard by the committee. An amendment was suggested and discussed and members questioned the system of taxing vending machines in the state. Mr. Tippy made inquiries also, to acquaint the committee with present statutes. Following this discussion, members decided they would move on the bill.

DISPOSITION:

Sen. Towe Moved Adoption of Amendments to SB230. Motion carried, see attached copy.

Sen. Norman Moved SB230 DO PASS AS AMENDED. Motion carried unanimously, Sen. Manning absent, not voting.

Chairman Dan Yardley called the meeting to order at 8:00 a.m., room #108, Capitol Building, Helena. Reps. Duane Johnson and Daniel Kemmis were absent. Senate bills 34 and 94 were scheduled to be heard.

House Taxation March 9, 1975

SENATE BILL 34 Senator Frank W. Hazelbaker, District 41, Beaverhead County, co-sponsor of SB 34 asked Mr. Al Sampson, Montana Firemen's Association, to explain this bill. He explained the purpose of this bill is to do for the men what other government employees are already getting: exemption from payment of income tax from fire department relief association funds paid to retired and disabled persons and their surviving spouses and orphans.

These pensions average about \$350 per month for about 20 pensioners. Volunteer firemen pensions are as low as \$15 per month.

SENATE BILL 94 Senator Jean A. Turnage, District 13, Lake County, introduced Senate Bill 94 at the request of the department of revenue and which provides for automatic extension of one to six months for filing corporation license returns by amending an existing code, section 84-1-01. Mr. Jerry Foster, administrator of corporate taxation of the department of revenue said the intent of SB 34 is to eliminate needless clerical work and expensive mailing. Multistate corporations need up to six months instead of the 90 day extension at present, in order to give them time to get all their figures together. There is no money involved, and the 3/4 of 1% per month interest due date is statutory.

The hearing adjourned at 8:15 a.m., and committee went to an executive session.

SENATE BILL 34 - Rep. Harrison Fagg made the motion that

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House Taxation March 7, 1975

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SENATE BILL

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House Taxation March 7, 1925

SENATE BILL 94 Senator Jean A. Turnage, District 13, Lake County, introduced Senate Bill 94 at the request of the department of revenue and which provides for automatic extension of one to six months for filing corporation license tax returns by amending an existing code, section 84-1504.

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The hearing adjourned at 8:15 a.m., and committee went into an executive session.

SENATE BILL 34 - Rep. Harrison Fagg made the motion that Senate Bill 34 DO PASS. Motion carried with all members but Rep. Tom Hager voting for DO PASS.

SENATE BILL 94 - Rep. W. Jay Fabrega will carry SB 94 on the House floor. Rep. E. N. Dassinger moved that SB 94 DO PASS. Motion carried unanimously.

SENATE BILL NO. 94

INTRODUCED BY TURNAGE

(BY REQUEST DEPARTMENT OF REVENUE)

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84-1504, R.C.M. 1947, TO PROVIDE FOR AN AUTOMATIC EXTENSION OF ONE (1) TO SIX (6) MONTHS FOR THE FILING OF A CORPORATION LICENSE TAX RETURN."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-1504, R.C.M. 1947, is amended to read as follows:

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(2) Every corporation, subject to the license fee imposed under this chapter, shall for each taxable period render a true and accurate return of its net income for the taxable period in the manner and form to be prescribed by the state department of revenue, and containing such facts,

data and information as are appropriate and in the opinion of the state department of revenue necessary to determine the correctness of the net income returned and to carry out the provisions of this act. The return shall be signed by one (1) of the following: the president, the vice-president, the treasurer, the assistant treasurer, or chief accounting officer. If the corporation is reporting on a calendar year basis the return shall be filed with the department of revenue on or before the fifteenth day of May following the close of the calendar year, and if reporting on a fiscal year basis the return shall be filed with the department on or before the fifteenth day of the fifth month following the close of its fiscal year. Upon application a corporation shall be allowed an automatic extension of time for filing its return ~~to the fifteenth day of the third month of one~~ (1) to six (6) months following the date prescribed for filing of its tax return. The application is to be made on such forms as the department of revenue shall prescribe. The department of revenue may grant an additional extension of time for the filing of a return whenever in its judgment good cause exists. The terms "engaged in business" and "doing business" both mean actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. The term gross income means all income recognized in determining the corporation's gross income for federal

REFERENCE BILL

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2 federal income tax. No corporation is exempt from the
3 corporation license tax unless specifically provided for
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7 gross income for corporation license tax purposes in the
8 same manner as a corporation that is subject to or liable
9 for federal income tax according to the provisions for
10 determining gross income in the federal internal revenue
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12 means the gross income of the corporation less the
13 deductions set forth in section 84-1502.

14 (3) In cases wherein receivers, trustees in bankruptcy,
15 or assignees are operating the property or business of a
16 corporation subject to the license fee imposed by this act,
17 such receiver, trustee, or assignee shall make the return in
18 the same manner and form as such corporation is hereinbefore
19 required to make return, and any license fee due on the
20 basis of such returns made by the receiver, trustee, or
21 assignee, shall be assessed and collected in the same manner
22 as if assessed directly against the corporation of whose
23 business or property they have custody and control, and
24 shall be paid by such receiver, trustee, or assignee out of
25 the property of the company in his hands, prior to the

1 claims of creditors or stockholders."

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